NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION

ANNUAL ACCOUNTABILITY REPORT

FISCAL YEAR 2012-2013

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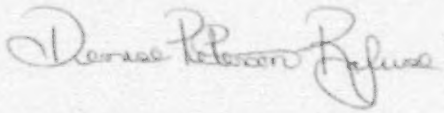
1.0 Accountability Statement

The accountability report of the Nova Scotia Housing Development Corporation for the year ended March 31, 2013 is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the *Nova Scotia Housing Development Corporation's Statement of Mandate for the fiscal year 2012-2013*. The reporting of the Nova Scotia Housing Development Corporation's outcomes necessarily includes estimates, judgments and opinions by the corporation's management.

We acknowledge that this accountability report is the responsibility of the Housing Corporation's management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the *Nova Scotia Housing Corporation's 2012-2013 Business Plan.*



Denise Peterson-Rafuse
Minister, Nova Scotia Housing Development Corporation

Dave Ryan
A/Deputy Minister, Department of Community Services

2.0 Message from the Nova Scotia Housing Development Corporation

On behalf of the Nova Scotia Housing Development Corporation (NSHDC), I am pleased to provide you with our latest and final accountability report. Future reports will be made by Housing Nova Scotia. In this report, you will find a progress report relative to the *Corporation's 2012-2013 Business Plan.*

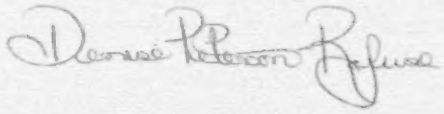
In 2012-2013 the NSHDC embarked on a journey to create a provincial housing strategy. We listened to leaders in non-profits and community organizations delivering housing and other services; elected representatives and staff from local governments; individual Nova Scotians sharing first-hand experience with public housing, the rental market or purchasing their own home; housing developers and entrepreneurs; and a wide range of others. Over 360 people and 110 organizations, shared their ideas, their experience, and their hopes and aspirations. And in the Spring 2013, Government approved the province's first ever housing strategy, and with it the creation of Housing Nova Scotia. It is available on our website and I encourage you to read it http://www.gov.ns.ca/coms/hs/Housing_Strategy.pdf

While working on the strategy, we continued to fund and develop housing solutions for Nova Scotians. Mortgages were provided to finance five non-profit organizations providing supportive housing for persons with disabilities. Partnerships were formed and investments made in 151 new affordable rental units in areas with a demonstrated need for affordable rental housing. Projects funded were located in small and large communities – Bridgewater, Amherst, Liverpool, Halifax, Kentville, Sydney, Windsor, New Glasgow and Arichat, and included both public and private sector developers.

Funds were also committed to create 37 new affordable units in mixed-market developments in Kentville and Halifax. And the NSHDC was chosen by the Halifax Regional Municipality as the future developer for the Bloomfield school property. The plan included a mix of housing options, dedicated facility space for community groups, cultural organizations, the arts and various activities, a range of commercial space options, and public open space for the community and residents who will live in the new Bloomfield neighbourhood.

The Nova Scotia Housing Development Corporation was founded more than a generation ago and it has served the Province well. But Nova Scotia has changed, and it needs a housing organization designed to meet the realities and challenges facing today's families and communities. Housing Nova Scotia will be that organization.

Regards,



Denise Peterson-Rafuse
Minister, Nova Scotia Housing Development Corporation

3.0 Introduction

The Annual Accountability Report is a report on the progress achieved by the Corporation towards the goals, priorities, performance measures, and financial targets established in the 2012-2013 Business Plan, and is available at
http://www.gov.ns.ca/coms/department/documents/Business_Plan_2012-2013_NSHDC.pdf

This report is organized into two main sections. The first section outlines the Corporation's progress and accomplishments against the priorities identified in the 2012-2013 Business Plan. The next section provides details regarding performance measures and the results achieved. The financial results of the Nova Scotia Housing Development Corporation are reported on in the Audited Financial Statements. These statements are available at

http://www.novascotia.ca/finance/site-finance/media/finance/PublicAccounts2012/vol2/Nova_Scotia_Housing_Development_Corporation.pdf

4.0 Accomplishments

Housing Strategy

In November 2012, the department engaged Nova Scotians in the development of the province's first comprehensive, long-term strategy for housing. More than 500 Nova Scotians, including non-profit and community organizations, participated in the consultation process. During the consultation phase, the Province also met with key housing partners, the Acadian community, persons with disabilities, and off-reserve First Nations groups.

During this process, it was confirmed that the Province is on the right track in the creation of the Housing Strategy - one that stresses affordability, choice, partnership and community building. The consultation document highlighted the following five key components:

- Fostering healthy, vibrant and diverse communities;
- Ensuring affordable housing choices for owners and renters;
- Providing paths to equity and home ownership;
- Building partnerships: drawing on the strengths of Nova Scotia's local communities, business and governments; and
- Independence and Dignity: Serving seniors, the disabled and vulnerable Nova Scotians

In 2012-2013, Government approved the first Provincial Housing Strategy for launch in May of 2013. The Housing Strategy will serve as the vehicle to improve not only the quality and affordability of housing, but equally as important, the educational, social, health and economic determinants for individual Nova Scotians, and for the province as a whole.

Establish an Effective Partnerships Model

The provincial government cannot be the sole source of funding for affordable housing. A significant part of the Province's Housing Strategy and our success in re-shaping housing of the future is the Province's ability to act as a catalyst for housing development.

In 2012-2013, the Halifax Regional Municipality issued a Request for Proposals (RFP) for development of the former Bloomfield School property -- 3.28 acres in peninsular Halifax. This RFP represented a unique opportunity for the Province to demonstrate the viability of a mixed-market development approach which is a key cornerstone for pursuing the Province's vision of housing solutions for healthier communities – stable, attractive communities at prices to accommodate the needs of a variety of households.

The Province was the successful proponent with a mixed – use development proposal that incorporates residential, commercial/retail, and community, cultural and institutional uses. This will be a showcase development with more than 400 new homes ranging from townhouses to high-rises – at least 40% of them affordably priced. This development will also accommodate commercial and cultural space. And building it to the LEED Gold environmental standard raises the bar for developers across Nova Scotia.

A key element of the Bloomfield RFP was partnering with others. The proposal included an array of potential partners including public, private and social enterprises to support affordable housing and mixed market housing development.

Create a Range of Investment Strategies and Financing Tools

In 2012-2013, the Province examined a range of possible new affordable housing strategies and financial tools including:

- Innovative, affordable home ownership programs to help young people and families of modest income
- Enhanced initiatives to support seniors and persons with disabilities to stay at home, in their communities
- New housing developments that support a mix of income levels and supports for independent living

- A neighbourhood revitalization initiative which will help repair and upgrade homes and structures.

Increase Supply of Supportive Housing Options

The right housing options can enable Nova Scotia's seniors to remain in their own homes, and give persons with disabilities greater independence and choice. Housing is also the first step for someone suffering from addiction or mental illness to rebuild their lives. As such, supportive housing is not a one-size-fits-all solution. A full range of housing options and supports is required to meet the varied needs of Nova Scotians.

In 2012-2013, the Province has:

- Invested in 151 new affordable rental units in areas with a demonstrated need for affordable rental housing, located in Bridgewater, Amherst, Liverpool, Halifax, Kentville, Sydney, Windsor, New Glasgow and Arichat
- Increased the housing income limits for the Provincial Housing Emergency Repair and Senior Citizens Assistance programs. As a result approximately 200 more seniors and low-income families in Nova Scotia qualified for these programs
- Invested more than $15 million to help lower-income Nova Scotians make emergency health and safety-related repairs to their homes. This investment helped approximately 2,100 households, of which 900 were seniors
- Renewed its commitment to the Housing Support Worker program. Through this program hundreds of individuals who experienced homelessness were transitioned into more permanent housing.

5.0 Financial Results

Please refer to the Audited Financial Statements for the financial results of the Nova Scotia Housing Development Corporation. These statements are available at

http://www.novascotia.ca/finance/site-finance/media/finance/PublicAccounts2012/vol2/Nova_Scotia_Housing_Development_Corporation.pdf

6.0 Performance Measures

Outcome: **To Improve the Health and Diversity of Affordable and Public Housing**

Measure: **Number of new affordable units created as a result of public, private and social development partnerships**

What does the measure tell us?

The provincial Housing Strategy emphasized the need to create healthy, vibrant communities – diverse communities with a range of incomes, family types and tenure types. In order to create such communities, success will rely on the ability to work with all levels of government, as well as with business, non-profits, and individuals.

This measure looks at the number of new units created in partnership with public, private, and social development organizations.

Where are we now?

In 2012-2013 the Province invested in 151 new affordable rental units in areas with a demonstrated need for affordable rental housing.

To deliver these affordable rental units, the Province formed 11 partnerships with public or private sector developers. The projects funded this year are located in small and large communities – Bridgewater, Amherst, Liverpool, Halifax, Kentville, Sydney, Windsor, New Glasgow and Arichat.

Where do we want to be in the future?

Housing Nova Scotia will work with developers throughout Nova Scotia to create healthy, vibrant communities.

In 2013-2014, Housing Nova Scotia will be completing community consultations leading to the purchase of the Bloomfield mixed-market property. As the Bloomfield project moves forward, Housing Nova Scotia will be partnering with both the public and private sectors to develop a vibrant and inclusive community.

As well, Housing Nova Scotia will be partnering with the Town of Windsor to develop a concept plan for a nine acre mixed-market development in College Park. The plan will include affordably-priced smaller homes.

Through dialogue with various communities new emerging projects will allow for small to medium developments of mixed market opportunities. Each community project will be different building on the needs and desires of its citizens.

Some communities will undertake significant neighbourhood revitalization projects, such as the east end of Truro. Partnerships between the corporation, the municipality, developers and citizens will create the vibrancy desired by the community.

Measure: Number of affordable units created in mixed market developments

What does the measure tell us?

The mixed-market development approach is cornerstone for creating healthy, vibrant communities. Mixed-market approaches allow the Province to build developments that incorporate residential, commercial/retail, community and/or institutional uses in combination with a variety of housing to create a diverse mix of household types and income ranges.

This measure looks at the number of new units created in mixed-market developments.

Where are we now?

In 2012-2013, the corporation was chosen by the Halifax Regional Municipality as the successful proponent and future developer for the Bloomfield school property. As well, through the work on the Housing Strategy, the corporation is prepared to move forward on:

- Two additional community revitalization projects
- New home ownership programs for first time homeowners with modest income
- New programs to help seniors age in place
- New Housing First initiatives to help some of the provinces most vulnerable citizens.

Where do we want to be in the future?

In addition to the Bloomfield and College Park projects, Housing Nova Scotia will pursue other demonstration projects that illustrate the viability of the mixed-market approach while investing in smaller mixed use projects under the New Rental Housing Program.

In 2013-2014, Housing Nova Scotia will begin rolling a new suite of programs to support first time homeowners, seniors, and the homeless.

Measure: Number of new supportive housing units created

What does the measure tell us?

For individuals with physical and intellectual disabilities, developmental challenges, substance abuse problem and/or living with mental illness, finding affordable housing in combination with necessary support services can be especially difficult. The Province recognizes that everyone

should live in a community with real opportunities for social inclusion. As we build more mixed market housing, we will be looking at aligning support services in and around housing developments.

This measure looks at the number of new supportive housing units for people who need safe, affordable residential settings in conjunction with support services. It includes housing for individuals with physical and developmental disabilities and seniors who are in need nursing care.

Where are we now?

In 2012-2013, to increase the community's capacity to provide a full range of supports for persons with disabilities, mortgages were provided to finance five non-profit organizations.

Where do we want to be in the future?

In 2013-2014, Housing Nova Scotia will be looking to partner with the Department of Health and Wellness, community organizations, and social enterprises to develop and deliver a wide range of individual support services through virtual and hub-based support models; thereby capitalizing on economies of scale.

Housing Nova Scotia will also adopt a person-focused approach that includes offering a broader and deeper range of services aimed at supporting Nova Scotians – regardless of age or level of need – to live as independently as possible in their own homes and communities.

Measure: Number of new transitional housing units for people with multiple barriers

What does the measure tell us?

Mental illness and addiction pose daunting challenges for individuals, and are two of the leading factors in homelessness. When appropriate housing is in place, it is easier for individuals with multiple barriers to access the network of services and treatment options available to manage their condition, and maintain a steady connection to society.

This measure looks at the number of new transitional housing units for people with multiple barriers.

Where are we now?

In 2012-2013, the Province reconfirmed its commitment to the Supportive Housing Worker program. The program has helped hundreds of homeless individuals and individuals at risk of homelessness in the Halifax area find more stable long term housing.

Where do we want to be in the future?

In 2013-2014, building on the success of the Supportive Housing Worker Program, Housing Nova Scotia will implement a Housing First approach. Housing First assumes that the first step in helping to stabilize and reintegrate a person back into society is a stable, safe and permanent place to call home. The Housing First model also includes a range of services and supports, tailored to an individual's needs and capabilities, to help them appreciate their strengths and address the challenges they face. Those services might range from addiction and mental health services to help with daily errands like shopping, to finding opportunities to volunteer, or landing a job.

Measure: Amount of Financing and/or Mortgage Guarantees

What does the measure tell us?

The Province provides financing to qualified agencies to purchase, lease or upgrade housing/shelter related facilities. This involves giving the agencies preferred interest rates for longer term periods than would be provided by private lenders. Agencies are protected from fluctuations in their on-going operating costs. This is particularly important to Community Services and the Department of Health, since publically subsidized per diem rates include financing costs.

This measure reports the amount of financing and/or mortgage guarantees provided to social housing projects to increase the supply of public and social housing available to those in need.

Where are we now?

In 2012-2013, the corporation provided approximately $27.9 million in financing and/or mortgage guarantees.

The amount of lending by the corporation is dependent upon progress made by partners/ developers on social housing projects.

Amount of Financing and/or Mortgage Guarantees							
2005/06 (BY)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
$12.87 M	$9.0 M	$21.7 M	$59.8 M	$192.0 M	$193.8 M	$90.7 M	$27.9M

Where do we want to be in the future?

In 2013-2014, under the new Housing Nova Scotia governance structure, the Province will restructure its housing activities to leverage the existing assets and become a development catalyst in Nova Scotia communities. Programs and policies will remain flexible enough to

support new innovative approaches, community proposals and individual development opportunities.